

FISCAL YEAR 2007-08 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name: **5KH/H40/UNIVERSITY OF SOUTH CAROLINA UNION**

B. Statewide Mission: **The purpose of USC Union is to give the people of Union and surrounding counties an intellectual, social, cultural, and physical setting which challenges them to grow in many ways and to develop a desire for lifelong learning. USC Union's primary purpose is to provide the first two years of a liberal arts university education to about 500 traditional and nontraditional students and to confer the Associate in Arts and the Associate in Science degrees. USC Union supports faculty development activities that help maintain this excellence and improve its programs through institutional research, planning, and comprehensive faculty involvement in both campus and University affairs.**

C. Summary Description of Strategic or Long-Term Goals:

(1) Increase enrollment through recruitment and retention. This goal is of prime importance for two reasons. First, the mission of USCU is one of outreach. Our purpose is to bring the educational programs of USC to as many residents of our seven county service area as possible. Second, in order to provide these services, we must have a minimum enrollment to provide the foundation in facilities, personnel, and budget.

(2) Increase funding of campus programs. In order to provide the services needed in Union and surrounding counties, USCU must seek funds from all possible sources, including the state, counties, cities, public and private grants, business and industry, and private donors.

(3) Renovate and expand campus facilities.

D.

Summary of Operating Budget Priorities for FY 2007-08:		FUNDING					FTEs			
		State Non-Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Priority No.: 1	Title: State Supplemental Parity Funding	0	16,206	0	0	\$16,206	0	0	0	0.00
Strategic Goal No. Referenced in <u>Item C Above (if applicable): 1</u> Activity Number & Name: 551 Operations & Maintenance										
Priority No.: 2	Title: Investment in Quality Outcomes	0	62,004	0	0	\$62,004	0	0	0	0.00

Summary of Operating Budget Priorities for FY 2007-08:	FUNDING					FTEs			
	State Non- Recurring	State Recurring	Federal	Other	Total	State	Fed.	Other	Total
Strategic Goal No. Referenced in <u>Item C Above (if applicable): 2</u> Activity Number & Name: 549 Academic support									
TOTAL OF ALL PRIORITIES	\$ 0	\$78,210	\$ 0	\$ 0	\$78,210	0.00	0.00	0.00	0.00

E. Agency Recurring Base Appropriation:

State \$ **958,564**

Federal \$ **790,960**

Other \$ **2,155,381**

F. Efficiency Measures: **South Carolina Commission on Higher Education Performance Funding Rating for FY04-05:**

Achieves - 2.40 out of 3.00 – 80% (This is the last year that the South Carolina Commission on Higher Education provided this data.)

G.

Summary of Capital Budget Priorities:			Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Priority No.: 1	<u>Project Name:</u> Facility Upgrade Activity Number & Name: 551 Operations and Maintenance	Project No*:	700,000	0	0	\$700,000
TOTAL OF ALL CAPITAL BUDGET PRIORITIES			\$ 700,000	\$ 0	\$ 0	\$700,000

* If applicable

H. Number of Proviso Changes: **None**

I. Signature/Agency Contacts/Telephone Numbers:

Richard W. Kelly
Vice President and Chief Financial Officer
(803) 777-7481

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Budget Director
(803) 777-1967

II. DETAILED JUSTIFICATION FOR FY 2007-08 OPERATING BUDGET PRIORITIES

A. Agency Section/Code/Name: **5KH/H40/ UNIVERSITY OF SOUTH CAROLINA UNION**

B. Priority No. **1 of 1**

C. (1) Title: **Parity Funding**

(2) Summary Description: **Recurring parity funding is necessary to alleviate the reduced state funding from past years.**

(3) Strategic Goal/Action Plan (*if applicable*):

D. Budget Program Number and Name: **Agency-wide**

E. Agency Activity Number and Name: **551 Operations and Maintenance**

F. Detailed Justification for Funding

(1) Justification for Funding Increase: **The parity funding at USC Union has been used partly to fund the maintenance supervisor's position on campus. The salary for this position was increased to attract well qualified applicants for the job. Additionally, the funds are needed in the Operations and Maintenance area to help with the ever-increasing utility costs incurred by the campus.**

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service		11,206			\$11,206
(c) Employer Contributions		5,000			\$5,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		0			\$ 0

Total	\$ 0	\$16,206	\$ 0	\$ 0	\$16,206
<i>* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.</i>					

(3) Base Appropriation:

State \$ **958,564**
Federal \$ **790,960**
Other \$ **2,155,381**

(4) Is this priority associated with a Capital Budget Priority? no If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State __**17.60**__

Federal __ __

Other __**12.22**__

Agency-wide Vacant FTEs as of July 31, 2006: **6.9200**

% Vacant **23.2059 %**

H. Other Comments:

The University of South Carolina system experienced the lowest tuition increase in several years, due largely to the support of the General Assembly by funding of the parity issue. If funding of higher education is reduced, the University's Board of Trustees as well as the governing boards of other institutions will be forced to consider a tuition increase to support operations.

A. Agency Section/Code/Name: **5KH/H40/UNION**

B. Priority No. **2 of 2**

C. (1) Title: **Investment in Quality Outcomes**

(2) Summary Description: **The S. C. Commission on Higher Education is seeking additional recurring funding to address higher education's need for operating funds to support instruction and services quality outcomes.**

(3) Strategic Goal/Action Plan (*if applicable*): **Increase funding of campus programs.**

D. Budget Program Number and Name: **Agency-wide**

E. Agency Activity Number and Name: **549 Academic support**

F. Detailed Justification for Funding

(1) Justification for Funding Increase: **These funds will increase accessibility to programs within the local communities and provide stability for the funding of academic programs which will increase the retention rate of current students. In addition, activities will be expanded to recruit students from local area high schools to attend the Union campus.**

(2)

FY 2007-08 Cost Estimates:	State Non-Recurring Funds	State Recurring Funds	Federal	Other	Total
Personnel:					
(a) Number of FTEs*					0.00
(b) Personal Service		25,000			\$25,000
(c) Employer Contributions		5,000			\$5,000
Program/Case Services					\$ 0
Pass-Through Funds					\$ 0
Other Operating Expenses		32,004			\$32,004
Total	\$ 0	\$62,004	\$ 0	\$ 0	\$62,004

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

(3) Base Appropriation:

State \$ **958,564**
Federal \$ **790,960**
Other \$ **2,155,381**

(4) Is this priority associated with a Capital Budget Priority? no If yes, state Capital Budget Priority Number and Project Name: _____.

G. Detailed Justification for FTEs

(2) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
(a) Number of FTEs					0.00
(b) Personal Service					\$ 0
(c) Employer Contributions					\$ 0

(3) FTEs in Program Area per FY 2006-07 Appropriation Act:

State	<u> 17.60 </u>
Federal	<u> </u>
Other	<u> 12.22 </u>

Agency-wide Vacant FTEs as of July 31, 2006: **6.9200**

% Vacant **23.2059 %**

H. Other Comments:

The University of South Carolina strongly supports the South Carolina Commission on Higher Education's number one priority of increased investment in quality outcomes for higher education by increasing the recurring operating funds by \$45 million for all institutions. As institutions strive to meet the demands of a technologically driven society, recurring funding for operations will assist institutions in meeting these challenges and keep tuition increases to a minimum.

III. DETAILED JUSTIFICATION FOR CAPITAL BUDGET PRIORITIES

A. Agency Section/Code/Name: **5KH/H40/ UNIVERSITY OF SOUTH CAROLINA UNION**

B. Priority No. **1** of **1**

C. Strategic Goal/Action Plan (if applicable): **Renovate and expand campus facilities**

D. Project Name and Number (if applicable): **Facility Upgrades**

E. Agency Activity Number and Name: **551 - Operations and Maintenance**

F. Description of Priority:

This project is to upgrade existing facilities on the USC Union Campus. Work will include exterior repairs such as painting of wood trim on all original buildings and waterproofing of brick walls and foundation on the Main Building. Work will also include the upgrade/replacement of the HVAC system serving the auditorium in the Main Building and the library in the Central Building. Site work and infrastructure upgrades will also be included, with an emphasis on repaving and painting of existing parking lots.

G. Detailed Justification for Funding

(1) Justification for Funding Priority:

The project is needed to provide funding for major maintenance projects on the Union Campus. The painting and waterproofing will serve to protect the building envelope and to prevent further damage to interior spaces. The replacement of the HVAC in the Main Building is required because the existing unit is too small and noisy. It cannot be operated while people are in the auditorium. The HVAC system in the Central Building does not provide adequate humidity control in the library. The only alternative is to continue to operate in the existing facilities, using limited maintenance funds to address the most immediate maintenance needs in a piecemeal manner. This project was included in the 2005 CPIP and was listed as priority number one.

(2)

Total Project Cost Estimates:	Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Total Project Cost*	700,000			\$700,000

** If additional annual operating costs from any source of funding are anticipated upon project completion please complete Sections H and I (Justification for Additional Future Annual Operating Costs) below.*

H. Justification for First Year Additional Future Annual Operating Costs: **No additional operating costs are anticipated.**

(1) Will additional annual operating costs be absorbed into your existing budget? _____
 If not, will additional state funds be needed in the future? _____
 If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Fiscal Year Additional Annual Operating Costs Are Anticipated: _____ Will this fiscal year require a partial or full year's operating funds? _____ If a partial year's funds are required, what portion of the year does it cover? _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00
(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

I. Justification for First Full Year Additional Future Annual Operating Costs *(If Section H above represents a full year's operating funds, do not complete this section.)*

(1) Will additional annual operating costs be absorbed into your existing budget? _____
 If not, will additional state funds be needed in the future? _____
 If state funds will not be needed in the future, explain the source(s) that will be used. _____

(2) First Full Fiscal Year Additional Annual Operating Costs Are Anticipated: _____

(3)

Additional Annual Operating Cost Details:	State Non-Recurring	State Recurring	Federal	Other	Total
Total Costs:					
(a) Number of FTEs					0.00

(b) Total Personnel Costs					\$ 0
(c) Furniture/Equipment					\$ 0
(d) Other Operating Costs					\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

J. Other Comments:

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

- A. Agency Section/Code/Name: **5KH/H40/UNIVERSITY OF SOUTH CAROLINA UNION**
- B. Agency Activity Number and Name:
- C. Explanation of Cost Savings Initiative: **For fiscal year 2007, the General Assembly took a significant step in funding higher education with the allocation of non-recurring funds to address parity issues as well as the funding provided for the recruitment of faculty at the research institutions. With these additional funds, the USC Board of Trustees held the FY2007 tuition increase to the lowest percentage increase in several years.**
- D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service				\$ 0
(c) Employer Contributions				\$ 0
Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses				\$ 0
Total	\$ 0	\$ 0	\$ 19,171	\$19,171

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):
If the USC campuses are required to meet a “cost savings” of state appropriated funds in FY2008, a reduction in force plan will be developed and submitted to the South Carolina Office of Human Resources in compliance with regulations established by the Budget and Control Board. The University’s Board of Trustees may consider other alternatives if a “cost savings” is

implemented. The University of South Carolina system has met the challenges of increasing operating costs during a time of dwindling state funding by employing strategic cost savings and prioritization of activities.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 0	\$ 0	\$ 19,171	\$ 19,171	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: **5KH/H40/UNIVERSITY OF SOUTH CAROLINA UNION**
- B. Agency Activity Number and Name:
- C. Explanation of Lowest Priority Status: **It is a difficult, if not impossible task to identify the lowest priority activities of the University of South Carolina's campuses since each activity directly supports the mission of teaching, research and public service. The activities reported in the Agency Activity Inventory are based on expenditure classifications established by the National Association of College and University Business Officers (NACUBO) and are standard across higher education. These classifications identify all critical and necessary components of an institutions mission and are not separable. As such, we feel all of our activities are critical to fulfilling the mission of our University.**
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$ 0

- E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

F.

Summary of Priority Assessment of Activities	General	Federal	Supplemental	Capital Reserve	Other	Total	FTEs
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
Activity Number & Name:	0	0	0	0	0	\$ 0	0
TOTAL OF LOWEST PRIORITIES	\$ 0	\$ 0	\$ 0	\$ 0	\$0	\$0	0.00